(b) the grounds advanced by the State Government;

(c) whether Government is considering the demand;

(d) if so, the details of the formula adopted for various types of funds/grants etc. to the State Governments; and

(e) whether better performance is a criteria for such allocation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) As per the information received from Planning Commission, during the visit of its Team to the State from 4th—6th February 2008, the Government of Goa sought allocation of more funds under the Annual Plan of the State for 2008-09 for some of the projects of importance to the State which, *inter alia,* include E-Governance, Development of Roads, and National Games 2011. Such proposals along with other Plan proposals will be considered in the meeting between Hon'ble Deputy Chairman, Planning Commission and Hon'ble Chief Minister, Goa for finanlizing the Annual Plan of the State for 2008-09.

(d) and (e) Central Assistance for State Plans is allocated in accordance with the Gadgil-Mukherjee Formula (1991) which gives due weightage to backwardness, performance and special problems of the States.

Drugs related offences in Goa

25. SHRI SHANTARAM LAXMAN NAIK: Will the Minister of FINANCE be pleased to state:

(a) the number of drugs related offences registered in Goa in the last two years;

(b) the quantum of drugs seized in each of the cases, if any and their value;

(c) the number of prosecutions pending;

(d) the convictions obtained in each of the cases, if any; and

(e) the details of convictions and other related matters?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) The details of drugs seizures, quantum of drug seized, number of cases and number of persons arrested during the last two years in Goa are as under:

Drug	20%			2007 (Provisional)		
	Qty. (in kg)	No. of Cases	Persons Arrested	Qty. (in kg)	No. of Cases	Persons Arrested
Cocaine	0.060	3	4	0.010	1	1
Ganja	10.000	1	1	22.51	2	2
Hashish	56.480	19	25	28.240	14	18
Heroin	—	—	—	15.110	2	2
LSD		~~~		(no. 2077 of LSD paper)	3	1

As regards value of seized drug, drug trafficking by its very nature is a clandestine activity and the value of drugs not only vary from place to place but also depends on its purity and various other factors. Hence, the value of seized drug cannot be estimated.

(c) to (e) No centralized database regarding prosecutions and details of convictions is maintained.

Micro-Finance Institution of NABARD

26. SHRI HARISH RAWAT; Will the Minister of FINANCE be pleased to state:

(a) how NABARD's rising cost of fund is going to affect the otherwise laudable programme of financial inclusion of Government;

(b) what is the remedy proposed by Government to mitigate the low-cost resource problems for NABARD;

(c) what could be the ambit of functioning of the proposed Micro-Finance Institution formed by NABARD; and

(d) whether NABARD's foray into retail segment like Micro Finance would deflect NABARD from its principal mandate to serve the rural underprivileged?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The Government of India (GoI) has decided to constitute the Financial Inclusion Fund (F1F) for meeting the cost of promotional and developmental interventions and the Financial Inclusion Technology Fund (FITF) to meet the cost of technology adoption, with an overall corpus of Rs. 500 crore each, with initial funding to be contributed by the Central Government, Reserve Bank of India (RBI) and National Bank for Agriculture and Rural Development (NABARD).

With a view to provide NABARD's access to long-term resources at cost-effective rates, the Finance Act, 2005 has provided a new financial instrument called the 'Zero-Coupon Bonds (ZCBs)'. In this context, the Central Government *vide* notification No. 372/2006, dated 15th December, 2006 has allowed NABARD to float 'ten years zero coupon bounds'. The number of bonds to be issued is 1,03,10,000 (one crore three lakh ten thousand), with a-face value of twenty thousand rupees for each bond.

Besides, pursuant to Budget Announcement 2007-08, NABARD has issued Rural Bonds amounting to Rs. 5,000 crore on 26th January, 2008. These Bonds will be eligible for tax exemption under Section 80C of Income Tax Act, 1961.

(c) It has been decided to restructure existing Karnataka Agriculture Development Finance Company (KADFC) Limited into NABARD Financial Services Ltd. (NABFINS). It would be a subsidiary of NABARD. The Memorandum of Association and Article of Association of KADFC is being suitably amended to cover all microfinance services within the regulatory framework of Reserve Bank of India. NABFINS is proposed as a Model Micro Finance Institution (MFI), and would be facilitating setting up of benchmarks and standards for the MFI sector.

(d) NABARD would not be entering the retail segment. Entry into the retail segment through a subsidiary with the objective of setting up benchmarks and standards for the MFI sector, is likely to further strengthen the developmental role of NABARD in the Microfinance Sector.